Simplification of tax administration

4311. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to simplify tax administration;

(b) if so, the details thereof; and

(c) to what extent it is likely to improve the system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Simplification of tax laws and tax administration is an ongoing process. Several measures have been taken in this regard which include rationalization of tariff structure and rates, simplification of procedures, computerization of operations and strengthening/ restructuring of the administrative set-up of the field offices.

(c) These measures are expected to result in enhanced revenue collection, improve voluntary compliance, reduce litigation and ensure a tax-payer-friendly environment.

Excise duty on cycle accessories

4312. SHRI BALWANT SINGH RAMOOWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the levy of Central excise on parts, accessories of cycle and cycle rickshaw, is causing great hardship to the poor weaker section of the society;

(b) whether it is also a fact that tiny and small industries in Punjab and elsewhere are also suffering from the levy of this duty; and

(c) whether Government proposes to exempt this industry from the levy of Central excise duty as was the case in 1980?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) The Government have received a number of representations from the cycle industry from Punjab and other parts of the country seeking exemption on the parts and accessories of cycles and cycle rickshaws from the

4% excise levy on the ground that these are consumed by the weaker sections of the society.

(c) Having regard to these representations, the Government have exempted parts and accessories of cycles and cycle rickshaws from the 4% excise levy with effect from 27th April, 2002.

Top tax defaulters

4313. SHRI PARMESHWAR KUMAR AGARWALLA : Will the Minister of FINANCE be pleased to state:

(a) the amount of income tax, excise tax and other commercial tax due against top 120 industrial/commercial units of the country by the year ending 2000-2001;

(b) the reasons for such dues against these industrial units;

(c) whether Government propose to impost penalty and also take stringent action against these units;

(d) if so, the details thereof; and

(e) by when dues are likely to be collected from these units?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE. N. RAMACHANDRAN): (a) The income tax dues outstanding against the top 120 companies amounted to Rs. 18862 crore (approx) as on 31.3.2001. Commercial taxes is a State subject. The Central Government does not maintain information in respect of State taxes. Information in respect of central excise duties is being collected and will be laid on the Table of the House.

(b) the reasons for non-recovery of outstanding taxes include tax demands being in dispute, cases getting held up in appeals, stay against recovery of tax granted by appellate authorities and courts, and applications pending before the Settlement Commission or the Board for Industrial and Financial Reconstruction.

(c) and (d) Penalty under section 221 of the Income Tax Act is levied wherever applicable in case of default by the assessee in paying the tax. The Department also takes all possible stringent measures to recover the arrear tax as provided in the Income Tax Act. The measures include, *inter-alia*, issuance of statutory notice under Section 220(2), charging of interest and levy of penalty for non-payment of dues, attachment of bank accounts and attachment and/or sale of movable and immovable properties of the defaulters.